

REMARKS

A. Front Page of Office Action and Claim Status

The cover page of the December 27, 2004 office action indicates that claims 1-129 are pending in the application and that claims 1-25, 43-68, 86-103, 118, and 122 are examined and rejected.

The cover page of the December 27, 2004 office action indicates that claims 26-42, 69-85, 104-117, 119-121, and 123-129 are withdrawn from consideration.

However, allegedly withdrawn dependent claims 102, 103, 119-121 depend from examined claims. Therefore, the front page of the office action is inconsistent. Notwithstanding the finality of the restriction requirement as to other claims, the examiner should examine dependent claims 102, 103, and 119-121 when reviewing this amendment. The applicant has not listed these claims as status of "Withdrawn" in the foregoing claim listing.

Claim 118 is canceled.

Claims 1, 26, 44, 69, 86, 88, and 104 are the independent claims.

Many claims have been formally amended by replacing "a" and "the" with "said" whenever the antecedent recitation was actually previously "said". The examined independent claims have been substantively amended to define storing status criteria and values for status criteria.

B. Rejections

1. The Rejections of Claims 1, 5, 6, 10-15, 19-21, 23, 24, 43, 88, 90, 92-97, 99-103, and 118 Under 35 USC 101 Because the Claimed Invention is *Allegedly Directed to non-Statutory Subject Matter*

Claims 1, 5, 6, 10-15, 19-21, 23, 24, 43, 88, 90, 92-97, 99-103, and 118 stand rejected under 35 USC 101 because the claimed invention is directed to non-statutory subject matter. In support of the rejections, the examiner states in the office action mailed December 27, 2004 on page 2 line 18 through page 5 line 21 that:

As an initial matter, the United States Constitution under Art. I, §8, cl. 8

gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972).

Additionally, the court decided separately on the issue of the "technological arts".

The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under

§§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, independent claims 1, 43, 88 and 118 recite a "useful, concrete and tangible result" ("delivering a related promotion to a consumer based on an initial promotion"), however the claim recites no structural limitations (i.e., computer implementation), and so it fails the first prong of the test (technological arts).

From this it can be seen that the broadest reasonable equivalent disclosed fails to pass the first prong technological arts test and therefore recites non-statutory subject matter under 35 USC 101. [Office action mailed December 27, 2004 page 2 line 18 through page 5 line 21.]

In response, the applicant points out that the examiner has misapplied the law respecting 35 USC 101 and the PTO doctrine respecting "technological arts." In point of fact, claims 1 and 43 (and claims 5, 6, 10-15, 19-21, 23, and 24 which depend therefrom) are specifically limited to a computer implemented method, reciting "A computer-implemented method...." Furthermore, the applicant hereby disclaims any system functioning solely without use of a computer system; thus, claims 88 and 118 (and claims 90, 92-97, and 99-103 which depend therefrom) are clearly

statutory.

The examiner's conclusion is flawed because the examiner has improperly construed the claims by reading out the limitation of the preamble and ignored the specification.

The examiner's allegation in the office action mailed December 27, 2004 on page 5 lines 17-18 that claims 1, 43, 88, and 118 recite "no structural limitations (i.e. computer implementation), and so it fails the first prong of the test (technological arts)" is a combination of implied conclusions on claim construction applied to the technological arts test, and the implied conclusions on claim construction are incorrect. The examiner's implied conclusions on claim construction are that the recitation of the preamble of "A computer implemented method ..." (i.e., the preamble) does not recite the structural limitation of computer implementation. In other words, the examiner has discounted the recitation "computer implemented" such that the examiner construes the subject matter defined by claims reciting to not require computer implementation.

In reply, the applicant disagrees with the examiner's conclusion that claims reciting "A computer implemented method ..." recite no structural limitations. Words have meaning. The written words of the claim cannot be ignored.

Judicial construction of 35 USC 101 provides one test for compliance with the utility prong of 35 USC 101; the "useful, concrete, and tangible" result test specified by the Court of Appeals for the Federal Circuit, which the examiner admits (at office action mailed December 27, 2004 page 5 lines 15-17) is satisfied by independent claims 1, 43, 88, and 118.

The examiner alleges that claims 1, 43, 88, and 118 (and claims 5, 6, 10-15, 19-21, 23, 24, 90, 92-97, and 99-103 which depend therefrom) do not satisfy the first prong of the technical arts test acknowledged by the Board of Patent Appeals and Interferences in Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001), 2001 Pat App. Lexis 46 (BPAI June 12, 2001)¹ and therefore, recite non-statutory subject matter under 35 USC 101.

In reply, the applicant submits that the examiner is incorrect. Ex parte Bowman indicates that "employing a machine or article or manufacture to perform some or all of the recited steps"

¹ Attachment 1 is a copy of Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001), 2001 Pat App. Lexis 46 (BPAI June 12, 2001).

does satisfy 35 USC 101's utility requirement. Thus, the examiner's conclusion is clearly inconsistent with the Board of Patent Appeals and Interference's published decision, Bowman. In Bowman, a panel of the Board held that the technological arts test was only not satisfied if the specification and claims did not limit the claimed invention to being computer implemented, stating in pertinent part that, emphasis of the pertinent passage added:

With respect to the rejection under 35 U.S.C. § 101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. *** The examiner responds that ... appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The *Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.* *** In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 101. [Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001), 2001 Pat App. Lexis 46 (BPAI June 12, 2001).]

Thus, Ex parte Bowman held that (1) claims that did not limit the claimed invention to being computer implemented and (2) a supporting specification that contained no computer implemented embodiment of any limitation claimed failed to comply with an alleged technological arts requirement in 35 USC 101. Ex parte Bowman therefore indicates by negative implication that when either the claims recite a technological limitation, such as a computer, or the specification discloses an embodiment in which limitations defined by the claims are performed by technology, such as computer technology, the claimed subject matter as a whole is statutory.

The rejected claims 1 and 43 (and claims 5, 6, 10-15, 19-21, 23, and 24 which depend therefrom) define computer implementation, and the specification of this application discloses only computer implementation; see, for example, the description of Figure 1 noting network implementation, and the description at page 4 paragraph 24 through page 9 paragraph 39 of computer hardware for that network. Thus, claims 1, 43, 88, and 118 (and claims 5, 6, 10-15, 19-21, 23, 24, 90, 92-97, and 99-103 which depend therefrom) are useful in the technological arts and therefore constitute patentable subject matter within the meaning of 35 USC 101. Therefore, the rejections of claims 1, 43, 88, and 118 (and claims 5, 6, 10-15, 19-21, 23, 24, 90, 92-97, and 99-103 which depend therefrom) based upon 35 USC 101 are improper and should be withdrawn.

2. The Rejections of Claims 1-5, 7-19, 21-25, 43-62, 64-68, and 86-103 Under 35 USC 102(e) as Being Anticipated by Barnett et al. (USP 6,336,099, hereinafter “Barnett”) are Improper and Should be Withdrawn Because Barnett Does Not Disclose Determining and Storing Whether a Consumer Rejects a Promotion

Barnett, as described in more detail below, discloses basing incentives upon a customer's prior transaction data including use of coupons. To that end, Barnett discloses recording certain data regarding use of coupons. However, Barnett does not disclose or suggest (1) determining whether a consumer has rejected a promotion, (2) storing the fact that the consumer rejected the promotion, or (3) using that fact.

In contrast, this application discloses the concept of storing and using data indicating whether a consumer accepts or rejects a promotion, and the independent claims now define related limitations. Therefore, the amended independent claims (and all other pending and examined claims due to their dependency) are not anticipated by Barnett.

This application generally discloses the concept of determining whether a consumer accepts or rejects a promotion, which is not the same as whether the consumer actually redeems a promotion. Paragraph [0005]. In that regard, the specification discloses storing status criteria upon which status values are determined by applying the criteria to data related to a customer. Last sentence of paragraph [0007]. The specification discloses that status values resulting from that process include "accepted", "rejected" (paragraph [0045]; page 11 lines 2-3 and column 211 in related Fig. 2A), and in some embodiments "unknown". Paragraph [0045] page 11 lines 11-12 and related Fig. 2A, bottom entry in column 211. Thus, each of at least the "accepted" and "rejected" status are stored in association with each status criteria.

The specification makes these concepts clear, as indicated by the following passages.

Page 5 lines 15-25 (numbered paragraph 0026) explain that the status is determined from the status criteria, stating that "This information includes ..., and the status of the promotion as well as status criteria *for determining the status of a promotion.*" Emphasis added. This explanation is expanded upon by the description relating to Fig. 2C. Fig. 2C and the description thereof in the specification at page 4 lines 1-3 (numbered paragraph 0015; brief description of Figure 3A) and page 11 line 37 to page 12 line 14 (numbered paragraph 0045) explain that the database table schema shown in Figure 2C relates the status criteria shown in the "Status Criteria" field to the promotion information shown in the "Promotion Information" field, to result in a status for each promotion for a customer.

Page 3 lines 30-33 (numbered paragraph 0013) explains that a value for the status of each promotion is stored in a table in a computer database, stating that "Figure 2A is a promotions tracking table for associating a customer identifier (CID) with the promotion identifier, delivery date, delivery medium, and status of each promotion delivered to the customer associated with the CID" Figure 2A shows a conventional database table schema with one field labeled "Promotion status" and values in that field being one of "reject", "accept", and "unknown".

Page 3 lines 34-36 (numbered paragraph 0014) refer to Figure 2C, and Figure 2C also shows a database table schema in which the field labeled "Promotion status" includes only the values "accept" and "reject".

Figure 2C column labeled "Status criteria" clearly shows that, for each status criteria, there are at least associated "accept" and "reject" values.

Thus, in all instances, this invention discloses that one of the values stored in association with a status criteria is "accept" and another is "reject". Accordingly, claim 1 has been amended to define these elements by including the following new recitations:

storing in a database a status criteria associated with an initial promotion;
storing in said database at least a first status value associated with said
status criteria and a second status value associated with said status criteria, said
first status value indicating acceptance of said promotion, and said second status
value indicating rejection of said promotion;
delivering ~~an~~ said initial promotion to a customer;
determining a status of ~~the~~ said initial promotion delivered to said
customer using said status criteria associated with said initial promotion;

Claims 1-5, 7-19, 21-25, 43-62, 64-68, 86-103, and 118 stand rejected under 35 USC 102(e) as being anticipated by Barnett based upon Barnett's disclosed storage of data indicating use of a coupon. However, Barnett does not disclose the concept of using customer promotion rejection criteria. Therefore, Barnett does not disclose claim 1's "storing ... said second status value indicating rejection of said promotion"; or "using said status criteria" to determine status of a promotion. Moreover, Barnett does not disclose "selecting ... based on said status," as also recited by claim 1. Amended independent claims 43, 44, 86, and 88 define substantially the same limitations. For these reasons, Barnett does not anticipate any pending examined claim.

Additional reasons why Barnett does not anticipate selected claims appears below.

3. **The 35 USC 102(e) Rejections of Claims 1-5, 7-12, 15-19, 21-25, 43-48, 50-55, 58-62, 64-68, 86-94, 97-103, and 118 as Being Anticipated by Barnett are Improper and Should be Withdrawn**

a. **Summary**

In support of the 35 USC 102(e) rejections of claims 1-5, 7-12, 15-19, 21-25, 43-48, 50-55, 58-62, 64-68, 86-94, 97-103, and 118, the examiner stated in the office action mailed December 27, 2004 on page 6 lines 15-26 that:

With respect to claims 1-5, 7-12, 15-19, 21-25, 43-48, 50-55, 58-62, 64-68, 86-94, 97-103 and 118, Barnett teaches delivering an initial promotion to a customer (coupon request and user data 4); determining a status of the initial promotion delivered (i.e. the coupon requested and redeemed information is stored)(Figure 1); selecting a related promotion based on said status of the initial promotion determined; and delivering said related promotion to said consumer (i.e. subsequent coupons are issued based on the coupons selected by the user and the coupons redeemed)(Figure 10); wherein at least two transactions with the customer are performed through at two delivery mediums (col. 13, lines 16-29).

With respect to claims 13, 14, 49, 56-57, 95-96, Barnett further teaches determining a status of the initial promotion based on an expiration date of said promotion (col. 11, lines 45-, col. 12, lines 1-67). [Office action mailed December 27, 2004 page 6 lines 15-26.]

b. **No Prima Facie Case**

In response, the applicant respectfully traverses the rejections of claims 2-5, 7-12, 15-19, 21-24, 43-48, 50-55, 58-62, 64-67, 86-94, and 97-103 for the additional reasons that the examiner has not shown that Barnett discloses the limitations of claims 2-5, 7-12, 15-19, 21-24, 43-48, 50-55, 58-62, 64-67, 86-94, and 97-103.

The examiner has not presented a prima facie case for the 35 USC 102(e) rejections for claims 2-5, 7-12, 15-19, 21, 22, 24, 43-48, 50-55, 58-62, 64-67, 86-94, and 97-102. The

examiner has only presented a rejection directly addressing claims 1, 23, 24, 25, 68, and 102. See the office action mailed December 27, 2004 page 6 lines 15-23. The examiner (or the Board, if the Board is the first body to raise a particular ground for rejection) "bears the initial burden . . . of presenting a prima facie case of unpatentability." In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). The examiner rejects claims 2-5, 7-12, 15-19, 21-24, 43-48, 50-55, 58-62, 64-67, 86-94, and 97-103 without presenting a prima facie case of anticipation.

Specifically, the examiner does not address the following limitations.

Limitational Recitation	Claims
Delivering initial promotion through either a kiosk, a point of sale (POS), an electronic transaction device, or a customer computer	3, 17, 46, 60
Delivering initial promotion via the Internet	4, 46, 61
Delivering initial promotion through a hard copy medium	5, 48, 62, 90, 99
Determining status of initial promotion based on electronic feedback from the customer	7, 8, 50, 91
Receiving explicit reject indication from the customer	8
Determining status based on near real time electronic feedback during a transaction with the customer	9
Receiving an implicit accept or reject indication based on a customer printing and downloading or declining to print and download the initial promotion	9, 52

Delivering initial and related program to customer during the same transaction	9
Determining the status of the initial promotion by storing transaction date that initial promotion was delivered	10
Determining a defined status value of initial promotion of either accepted, rejected, or unknown	10
Storing defined status value	10
Including identity of a product in transaction data	11
Including redemption data in transaction data	12
Determining a second status of a second promotion and storing second status promotion value in memory	15
Determining a third promotion related to a second promotion to deliver to a customer based on the status of a second promotion and delivering said third promotion to said customer	15
Determining a third status of a third promotion and storing a third status promotion value in memory	15
Determining a fourth promotion related to a third promotion to deliver to the customer based on said third status; and delivering the fourth promotion to the customer	15

Delivering an initial promotion by a first delivery medium, and delivering either a second promotion, third promotion, or fourth promotion by a second delivery medium that is different from the first delivery medium	16, 18
Delivering either a second promotion, a third promotion, or a fourth promotion, by a third delivery medium that is different from the first delivery medium	18
Reading a CID associated with an address	19
Determining which delivery medium to use to send either a second, third, or fourth promotion based in part on the CID address	19
Determining a status of an initial promotion, selecting a related promotion, and delivering the related promotion using a single medium in a single transaction with the customer via the customer computer while the computer is logged on to a web site	21
Using a customer computer as a single medium and an online shopping event in a single transaction	22, 65
Performing at least two transactions with the customer	23
Storing in a database at least a first value associated with a status criteria and a second status value associated with the status criteria, whereby the first status value indicating acceptance of the promotion and a second status value indicating a rejection of the promotion	43, 44
Determining a status of an initial promotion delivered to the customer by monitoring customer transactions at a point of sale (POS) and by using the status criteria associated with the initial promotion	43

Selecting a related promotion for a customer based on the status of the initial promotion delivered to a customer	43, 58, 86, 88, 97
Determining a status of an initial promotion delivered to a customer using status criteria	44
Selecting a related promotion based on the status of the initial promotion delivered to the customer	44, 86
Receiving and storing in memory an explicit accept or reject indication from the customer	51
Determining a status of an initial promotion delivered to the customer based on status criteria assigned to the initial promotion	53, 92
Determining a status of an initial promotion delivered to the customer based on purchase information of at least one product promoted by the initial promotion	54, 93
Determining a status of an initial promotion delivered to the customer based on redeeming information associated with the customer and the initial promotion delivered to the customer	55, 94
Determining a status of an initial promotion, selecting a related promotion, and delivering the related promotion using a single medium in a single transaction with the customer	64, 100

Determining a status of an initial promotion delivered to the customer, selecting a related promotion, and delivering the related promotion to the customer wherein the initial promotion is delivered to a customer in a first transaction and the related promotion is delivered to the customer in a second promotion	66
Communicating with a customer during the first transaction and second transaction through the same delivery medium	67
Storing a status criteria associated with an initial promotion	86, 88
Storing a first status value associated with the status criteria and a second status value associated with a status criteria, whereby the first status value indicates acceptance of the promotion and the second status value indicating rejection of the promotion	86, 88
Determining a status of an initial promotion delivered to a customer by monitoring customer transactions at a point of sale (POS) and applying the status criteria to customer transaction data from the customer transactions for the customer	86
Determining a status of an initial promotion, selecting a related promotion, and delivering the related promotion during two transactions with the customer	101

c. Barnett Does not, in Fact, Anticipate Claims 23-25, 68, 102, and 103

i. Summary

The applicant submits that Barnett does not disclose the limitation defined by the recitation in claim 25 and substantially similar limitations in claims 68, and 103 of “at least two

transactions with the customer are performed through at least two delivery mediums.” This application defines “delivery medium” by way of examples, listing examples of distribution (delivery) medium as “the postal service, newspapers or magazines, printing from a point of sale terminal at a checkout counter in a grocery store, and, most recently, the Internet.” Page 1 lines 31-33.

In contrast, Barnett discloses delivery only via a network to the user’s personal computers located at the user’s homes. Barnett Abstract. This is electronic delivery.

In the office action mailed December 27, 2004 at page 6 lines 22-23, the examiner relies on column 13 lines 16-29 of Barnett for disclosing the claimed limitation of determining “at least two transactions with the customer are performed through at least two delivery mediums,” stating that:

[Barnett teaches ...] wherein at least two transactions with the customer are performed through at [sic] two delivery mediums (col. 13, lines 16-29). [Office action mailed December 27, 2004 page 6 lines 22-23; interpolation added.]

However, column 13 lines 16-29 of Barnett only states that:

In an alternative embodiment of the present invention, the user is provided with a visual or auditory stimulus or cue to suggest an access of the electronic coupon distribution system. Referring to FIG. 7, a message or logo may be included along with the advertising material normally provided on television, in the newspapers, and the like. This will indicate to a user that he should access the online service provider 2 in order to obtain coupon data related to the advertised product. The availability of the coupon could be time-sensitive, which would provide further incentive to the user to use the system in a prompt and efficient manner. When the radio media is used, a tonal or spoken cue may be included during the advertising message to accomplish the same result. [Barnett column 13 lines 16-29.]

In reply, the applicant submits that the foregoing passage from Barnett relied on by the examiner does not support the conclusion that Barnett discloses the limitation defined by the recitation in claim 25 and substantially similar limitations in claims 23, 24, 68, 102, and 103 of “at least two transactions with the customer are performed through at least two delivery mediums.”

Barnett discloses “a method and system for the electronic distribution of product redemption coupons to remote personal computers located at users’ homes.” See Barnett abstract and Figure 1. Barnett does not disclose a delivery medium other than the users’ personal computer. Barnett column 13 lines 16-19 disclose using visual and auditory stimulus, cue, message, logo included with television, newspaper, or radio advertising “to suggest [to the customer] access of the electronic coupon distribution system.” The reminders Barnett discloses at column 13 lines 16-19 do not constitute a transaction. This is because a transaction is defined as an exchange or transfer of goods, services, or funds.² Barnett’s reminders are not an exchange or transfer of goods, services, or funds. Thus, the visual or auditory stimulus, cue, message, logo included with television, newspaper, and radio advertising are not transactions. Therefore, they are not transactions performed through a delivery medium. Therefore, they do not disclose different “transactions ... through at least two delivery mediums,” as recited in claim 25 and defined by claims 23, 24, 68, 102, and 103. Since Barnett discloses only one delivery medium for transactions -- the customer’s personal computer -- Barnett does not anticipate “at least two transactions with the customer are performed through at least two delivery mediums”, as recited in claim 25 and defined by claims 23, 24, 68, 102, and 103. Therefore, the rejections of claims 23-25, 68, 102, and 103 are improper and should be withdrawn.

4. The 35 USC 102(e) Rejections of Claims 13, 14, 49, 56, 57, 95, and 96 are Improper and Should be Withdrawn

In support of the rejections of claims 13, 14, 49, 56, 57, 95, and 96, the examiner states in the office action mailed December 27, 2004 on page 6 lines 24-26 that:

² Attachment 2 is a copy of the definition of “transaction” as defined by the Merriam-Webster OnLine dictionary.

With respect to claims 13, 14, 49, 56-57, 95, and 96, Barnett further teaches determining a status of the initial promotion based on an expiration date of said promotion (col. 11, lines 45-, col. 12, lines 1-67). [Office action mailed December 27, 2004 page 6 lines 24-26.]

In response, the applicant respectfully traverses these rejections because they are not supported by substantial evidence or valid reasoning, for the reasons explained below.

First, Barnett does not disclose determining the status of an initial promotion based on the expiration date of the promotion as disclosed in claims 14, 57, and 96.

Second, Barnett does not disclose “determining a status of the initial promotion based on a delivery date of said initial promotion”, which is defined in claims 56 and 95.

Third, Barnett does not disclose delivering an initial promotion to a customer through at least one of a direct mailing process and a hand delivery process, which is defined in claim 49.

Fourth, Barnett does not disclose “said status criteria comprises time interval between transaction date and a subsequent date”, which is recited in claim 13.

a. Barnett does not Disclose Selecting a Related Promotion Based on the Expiration Date Status of the Original Promotion

In response to the rejections of claims 14, 57, and 96, the applicant submits that Barnett does not disclose selecting a related promotion based on the expiration date status of the original promotion, which is defined in claims 14, 57, and 96.

In the office action mailed December 27, 2004 at page 6 lines 24-26, the examiner rejects claims 14, 57, and 96 and relies on column 11 line 45 to column 12 line 67 of Barnett for disclosing the claimed limitation of determining “a status of the initial promotion based on an expiration date of said promotion”.

Column 11 line 45 to column 12 line 67 of Barnett states that:

As described above, the electronic coupon distribution system of the present invention allows the printing of a particular coupon only once, thus

providing for security and guarding against fraudulent redemption. This is accomplished by the coupon deletion routine 32e, which is called whenever a coupon is printed and deletes the coupon from the database 30 or renders it unprintable by setting an appropriate flag. In addition, the coupon deletion routine 32e allows for automatic deletion of expired coupons by periodically checking the expiration date field of each coupon against a real-time clock found in the computer 6. Optionally, the user may voluntarily delete any coupon which is expired if the real-time clock is not set to the correct date. For the user's convenience, the online service provider 2 can check the system clock of the user's computer 6 during a communications session and, if the date is incorrect, can ask the user if he would like the date adjusted automatically.

Since the actual expiration date is always printed as part of the coupon, the function of deleting expired coupon data from the user's computer 6 is for the convenience of the user rather than for security purposes.

The system of the present invention also allows for time-sensitive deletion of certain coupon data from the user computer 6 which is unrelated to the expiration date. That is, certain coupon data may be automatically deleted from the user's computer after, e.g., one month, notwithstanding that the coupon, if printed, might have an expiration date in six months. This feature is included to prompt users who know of the time-sensitive autodeletion to promptly print (and use) coupons rather than risk having them deleted from their database.

The coupon management program also can vary the redemption value of any coupon already downloaded to the user's computer 6 without the need for specific user interaction. A coupon variation routine 32f is called which aids in this task. Again, any time that a user initiates a download of coupon data, the on-line service provider 2 can update redemption amounts for coupons whose issuers have decided to change the discount amount.

Referring to FIG. 5, the secure coupon 70 generated and printed in the preferred embodiment is illustrated in detail. The secure coupon 70 comprises the

following fixed components taken from the fixed coupon parameter and user-specific data file 30d: border graphics 72, redemption instructions 88, and user identification bar code 90. The secure coupon 70 also comprises the following variable components which change for each coupon selected: expiration date 78, redemption amount 74, description of the offer 76, company and/or product information 80, the item's UPC number 82 and the associated UPC bar code 84, and the redemption address 86.

Referring to FIG. 10, the generation of coupon data packages by the coupon distributor 16 will be explained. The information collected by the coupon distributor 16 from the online service provider 2 regarding the coupon data selected by the user, the coupon data printed by the user, and the requested demographic information is stored in a database 11. The database 11 also stores information from the coupon redemption center 13 regarding the coupons actually redeemed by the user. The database 11 further stores information regarding all coupons which are made available by the various coupon issuers 14 from which it will generate coupon data packages for subsequent downloading to users.

The information stored in the database 11 is input to the marketing and targeting analysis means 17, which carries out the function of analyzing the aforementioned information in a manner known in the art to arrive at different coupon packages. That is, it may be determined by the analysis means 17 that users with dogs in their household (Which is known by the demographic responses) will get a certain package comprising dog food coupons. It may be further determined that users who select, print and redeem dog food coupons of Brand X will get coupons issued by Brand Y, or will get only low value coupons since they are already dog food coupon users, etc. That is, depending on the marketing and targeting criteria and objectives, the analysis means will generate coupon packages as desired.

Thus, the analysis means generates a number of differing coupon data packages for transmittal to the online service provider 2. The analysis means also

provides specific mapping information which will instruct the online service provider as to which user should be provided with which package(s). For example, user 1 may be mapped to coupon data packages 2 and 3; user no. 2 to packages 3 and 6, etc. This mapping function may be carried out by the coupon distributor and provided to the online service provider at regular intervals, e.g. once per week. Thus, the coupon selection, printing and redemption habits may be analyzed over a time period and used to determine the subsequent targeted packages. [Barnett column 11 line 45 to column 12 line 67.]

In reply, the applicant submits that the foregoing passage cited by the examiner does not support the assertion that Barnett anticipates the limitation of selecting a related promotion based on the expiration date status of the original promotion. Moreover, nothing in Barnett anticipates the limitation selecting a related promotion based on the expiration date status of the original promotion, which is defined in claims 14, 57, and 96.

Barnett discloses a system that checks the expiration date of each coupon and deletes expired coupons. See column 11 lines 52-55. Barnett further discloses that the function of deleting expired coupon data from the user's computer 6 is for the convenience of the user, rather than for security purposes. See column 11 lines 63-65. However, Barnett does not disclose using the coupon expiration date of the original promotion to select a related promotion, which is defined in claims 14, 57, and 96. Therefore the rejections of claims 14, 57, and 96 are improper and should be withdrawn.

Moreover, the applicant submits that Barnett does not disclose, and the examiner has not shown, that Barnett discloses the limitation "said step of determining a status of the initial promotion based on a predetermined status criteria assigned to the initial promotion comprises determining a status of the initial promotion based on an expiration date of said promotion", which is defined by claims 14 and 96. For this additional reason, the rejections of claims 14 and 96 are improper and should be withdrawn.

b. Barnett does not Disclose Determining a Status of the Initial Promotion Based on a Delivery Date of Said Initial Promotion

In response to the rejections of claims 56 and 95, the applicant submits that Barnett does not disclose, and the examiner has not presented evidence that Barnett discloses, the limitation determining a status of the initial promotion based on a delivery date of said initial promotion, which is defined in claims 56 and 95. Since the examiner has not presented a prima facie case for the rejections of claims 56 and 95, the rejections of claims 56 and 95 are improper and should be withdrawn.

c. Barnett does not Disclose Delivering an Initial Promotion to a Customer Through at Least One of a Direct Mailing Process and a Hand Delivery Process

In response to the rejection of claim 49, the applicant submits that Barnett does not disclose, and the examiner has not presented evidence that Barnett discloses, the limitation delivering an promotion to a customer through at least one of a direct mailing process and a hand delivery process, which is defined in claim 49. Since the examiner has not presented a prima facie case for the rejection of claim 49, the rejection of claim 49 is improper and should be withdrawn.

d. Barnett does not Disclose “Said Status Criteria Comprises Time Interval Between Transaction Date and a Subsequent Date”

In response to the rejection of claim 13, the applicant submits that Barnett does not disclose, and the examiner has not presented evidence that Barnett discloses, the limitation “said status criteria comprises time interval between transaction date and a subsequent date” which is recited in claim 13. Since the examiner has not presented a prima facie case for the rejection of claim 13, the rejection of claim 13 is improper and should be withdrawn.

5. The Rejections of Claims 6, 20, 49, and 63 Under 35 USC 103(a) as Being Unpatentable over Barnett

Claims 6, 20, 49, and 63 stand rejected under 35 USC 103(a) as being obvious over Barnett. In support of these rejections, in the office action mailed December 27, 2004 page 6 lines 13-20 the examiner states that:

Claims 6, 20, 49, and 63 further recite delivering the promotion to the customer through direct mailing and hand delivering process. Official notice is taken that it is old and well known in marketing to deliver promotions through direct mail and hand delivery process in order to have the promotions available to customers who don't have access to computer or electronic means. It would have been obvious to a person of ordinary skill in the art at the time of Applicant's invention to have included delivering the promotion to the customer through direct mailing and hand delivering process in order to achieve the above mentioned advantage. [Office action mailed December 27, 2004 page 6 lines 13-20.]

In response, the applicant submits that claims 6, 20, 49, and 63 depend either directly or indirectly from either independent claims 1 or 44. Since claims 1 and 44 are allowable, the rejections of claims 6, 20, 49, and 63 are improper and should be withdrawn.

6. The Examiner has not Rejected Allegedly Withdrawn Claims 102, 103, and 119-121, and Claim 122 in the Body of the Office Action Mailed December 27, 2004

The examiner does not mention dependent claims 102, 103, and 119-121, and claim 122 in the body of the office action mailed December 27, 2004. Therefore, the examiner has not presented a prima facie case for the rejections of claims 102, 103, and 119-121, and claim 122. The examiner (or the Board, if the Board is the first body to raise a particular ground for rejection) "bears the initial burden . . . of presenting a prima facie case of unpatentability." In re

Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). Therefore, claims 102, 103, 119-121, and claim 122 should be allowed.

7. Newly Amended Dependent Claims 9, 10, 13, 15, 16, 18, 19, 23, 43, and 68
Recite New Limitations not Disclosed by Barnett

a. Claim 9 - Near Real Time Accept or Reject

Barnett does not anticipate the limitations “wherein said near real time electronic feedback during said transaction comprises receiving an implicit accept or reject indication from said customer based on one of the customer (1) printing and downloading and (2) declining to print and download said initial promotion, during said transaction, such that said initial promotion and said related promotion are delivered to the customer during said transaction” recited in claim 9. Support for these limitations can be found on page 14 lines 25-27, page 16 lines 10-11, Figure 4, and Figure 5.

b. Claim 10 - Storing Transaction Date, and Accept, Reject, or Unknown Status Determination

Barnett does not anticipate the limitations “storing transaction data in association with said initial promotion, wherein said transaction data includes transaction date that said initial promotion was delivered to said customer” recited in claim 10. Support for the limitation can be found on page 2 lines 21-23.

Barnett also does not anticipate the limitations “determining a defined status value for status of said initial promotion corresponding to one of (1) accepted, (2) rejected, and (3) unknown, wherein said determining comprises applying said status criteria to said transaction data” as recited in claim 10. Support for these limitations can be found on page 11 lines 11-12, page 3 lines 17-18, and Figure 2A.

c. Claim 13 - Status Criteria Comprising Time Interval Between Transaction Date and a Subsequent Date

Barnett does not anticipate the limitation “wherein said status criteria comprises time

interval between transaction date and a subsequent date” as recited in claim 13. Support for the limitation can be found in Figure 2C.

d. **Claim 15 - Determining - Related to Previous Promotion - and Storing of Second, Third, and Fourth Promotions and Delivering to Customer**

Barnett does not anticipate the limitations “determining a second status of said second promotion and storing second status promotion value in memory; determining a third promotion related to said second promotion to deliver to said customer based on said second status; delivering said third promotion to said customer; determining a third status of said third promotion and storing third status promotion value in memory; determining a fourth promotion related to said third promotion to deliver to said customer based on said third status; delivering said fourth promotion to said customer” as recited in claim 15. Support for these limitations can be found on page 16 lines 14-19.

e. **Claim 16 - Delivery by Two Different Mediums**

Barnett does not anticipate the limitations “delivering said initial promotion comprises delivering via a first delivery medium, and at least one of said delivering said second promotion, said delivering said third promotion, and said delivering said fourth promotion comprises delivering via a second delivery medium that is different from said first delivery medium” as recited in claim 16. Support for these limitations can be found on page 23 lines 26-33.

f. **Claim 18 - Delivery by Three Different Mediums**

Barnett does not anticipate the limitations “delivering said initial promotion comprises delivering via a first delivery medium; at least one of said delivering said second promotion, said delivering said third promotion, and said delivering said fourth promotion, comprises delivering via a second delivery medium that is different from said first delivery medium; and at least one of said delivering said second promotion, said delivering said third promotion, and said delivering said fourth promotion, comprises delivering via a third delivery medium that is different from said first delivery medium” as recited in claim 18. Support for these limitations

can be found on page 23 lines 26-33 and page 16 lines 14-19.

g. Claim 19 - Determining Which Delivery Medium to Use Based on Customer Address

Barnett does not anticipate the limitations “reading a CID associated with an address; and determining which delivery medium to use to send at least one of said second promotion, said third promotion, and said fourth promotion based at least in part upon said CID address” as recited in claim 19. Support for these limitations can be found on page 24 lines 29-34, page 10 line 20, and page 23 lines 31-33.

h. Claim 23 - Delivering to Two Addresses for the Same Customer

Barnett does not anticipate the limitations “wherein said delivering for said first transaction comprises delivering to a first address for said customer, and wherein delivery for said second transaction comprises delivering to a second address for said customer, said second address different from said first address” as recited in claim 23. Support for these limitations can be found on page 79 lines 26-33 and page 10 line 20.

i. Claim 43 - Storing a First Status Value of Accept and a Second Status Value of Reject

Barnett does not anticipate the limitations “storing in said database at least a first status value associated with said status criteria and a second status value associated with said status criteria, said first status value indicating acceptance of said promotion by said customer, and said second status value indicating rejection of said promotion by said customer” as recited in claim 43. Support for these limitations can be found on page 15 lines 5-16 and Figure 2A.

j. Claim 68 - Communicating with Customer During First and Second Transaction

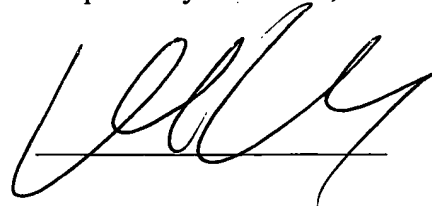
Barnett does not anticipate the limitation “with said customer during said first transaction and said second transaction” as recited in claim 68. Support for the limitation can be found on

page 19 lines 20-22.

5/6/2005

Date

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Neifeld', written over a horizontal line.

Richard A. Neifeld, Ph.D.

Registration No. 35,299

Attorney of Record

BTM/NAC/BTM/RAN

Printed: May 6, 2005 (1:31pm)

Y:\Clients\Catalina\PIP-75-WILL\PIP-75-WILL-US\Drafts\AmendmentRevised_050426.wpd

Attachment 1
Exhibit 1

LEXSEE 2001 PAT APP. LEXIS 46

Ex parte CLEMENT W. BOWMAN

Appeal No. 1999-0583

Application 08/418,152

Board of Patent Appeals and Interferences

2001 Pat. App. LEXIS 46

June 12, 2001, Decided

[*1]

Before JERRY SMITH, DIXON, and BLANKENSHIP, Administrative Patent Judges.

OPINIONBY: SMITH

OPINION:

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

ON BRIEF

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-18, which constitute all the claims in the application. An amendment after final rejection was filed on November 24, 1997, but was denied entry by the examiner.

The disclosed invention pertains to a method of evaluating an intangible asset of interest.

Representative claim 1 is reproduced as follows:

1. A method of evaluating an intangible asset of interest, comprising the steps of:
 - establishing first and second variables related to the value of said intangible asset of interest;
 - establishing a series of performance criteria statements probative of the value of said first and second variables;
 - scoring each of said performance criteria statements;
 - summing scores to generate first and second total scores based upon the extent to which individual statements [*2] accurately describe said intangible asset of interest;
 - transforming physical media into a chart having a first axis relating to said first variable and a second axis relating to said second variable;
 - physically plotting a point on said chart, said point being located at coordinates corresponding to said first and second total scores, respectively, and,
 - using said chart in making at least one decision regarding the value of said intangible asset of interest.

The examiner relies on the following reference:

Robert R. Blake et al. (Blake), *The Managerial Grid*, Gulf Publishing Company, 1994, page 10.

Claims 1-18 stand rejected under 35 U.S.C. § 101 as being directed to nonstatutory, subject matter. Claims 1-18 also stand rejected under 35 U.S.C. § 112, first paragraph, as being based on an inadequate disclosure. Finally, claims 1-18 stand rejected under 35 U.S.C. § 103 as being unpatentable over the teachings of Blake.

Rather than repeat the arguments of appellant or the examiner, we make reference to the brief and the answer for the respective details thereof.

OPINION [*3]

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the prior art rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellant's arguments set forth in the brief along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that claims 1-18 are not directed to statutory subject matter. We are also of the view that the disclosure adequately supports the invention of claims 1-18. Finally, it is our view that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-18. Accordingly, we affirm.

Appellant has indicated that for purposes of this appeal the claims will all stand or fall together as a single group [brief, page 3]. Consistent with this indication appellant has made no separate arguments with respect to any of the claims on appeal. Accordingly, all the claims [*4] before us will stand or fall together. Note *In re King*, 801 F.2d 1324, 1325, 231 USPQ 136, 137 (Fed. Cir. 1986); *In re Sernaker*, 702 F.2d 989, 991, 217 USPQ 1, 3 (Fed. Cir. 1983). Therefore, we will consider the rejection against independent claim 1 as representative of all the claims on appeal. Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered [see 37 CFR § 1.192(a)].

With respect to the rejection under 35 U.S.C. § 101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. Appellant responds by analyzing the claimed invention under "The Examination Guidelines for Computer-Related Inventions" as published by the United States Patent and Trademark Office. Based on these guidelines, appellant argues that the recited method of creating a chart and plotting a point thereon is "physical and has clear real world value" [*5] [brief, page 4]. Appellant also argues that the claimed process clearly results in a physical transformation outside of a computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan [id., page 6]. The examiner responds that the noted guidelines are inapplicable here because appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.

Despite the express language [*6] of 35 U.S.C. § 101, several judicially created exceptions have been excluded from subject matter covered by Section 101. These exceptions include laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ 1, 7 (1981). We interpret the examiner's rejection as finding that the claimed invention before us is nothing more than an abstract idea because it is not tied to any technological art or environment. Appellant's argument is that the physical (even manual) creation of a chart and the plotting of a point on this chart places the invention within the technological arts.

The phrase "technological arts" has been created to offer another view of the term "useful arts." The Constitution of the United States authorizes and empowers the government to issue patents only for inventions which promote the progress [of science and] the useful arts. We find that the invention before us, as disclosed and claimed, does not promote the progress of science and the useful arts, and does not fall within the definition of technological arts. The abstract idea which forms [*7] the heart of the invention before us does not become a technological art merely by the

recitation in the claim of "transforming physical media into a chart" [sic, drawing or creating a chart] and "physically plotting a point on said chart."

In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 101.

With respect to the rejection under 35 U.S.C. § 112, the examiner asserts that the claimed invention is not described in the specification in such a way as to enable one skilled in the art to make and/or use the invention. Specifically, the examiner argues that the transforming step of claim 1 is not disclosed [*8] in the specification. According to the examiner, the chart of Figure 3 remains unchanged and is not physically transformed into the chart of Figure 4 [answer, page 4]. Appellant responds that Figure 4 of the application and its corresponding description in the specification support this step [brief, page 8, incorporating argument from amendment after final rejection].

We agree with appellant. Although the record does not reflect exactly what is meant by the step of "transforming physical media into a chart," we are of the view that the examiner's interpretation of transforming the chart of Figure 3 into the chart of Figure 4 is not what this step was intended to cover. We find the claimed step to mean nothing more than transforming physical media (blank paper) into a chart having two axes drawn thereon. Under this interpretation of claim 1, we find that the disclosure of this application supports the claimed invention as required by the first paragraph of 35 U.S.C. § 112. Specifically, the person skilled in this art would be able to make and use the claimed invention based on appellant's disclosure. Therefore, we do not sustain this rejection of [*9] the appealed claims.

With respect to the rejection under 35 U.S.C. § 103, the examiner finds that the chart on page 10 of Blake clearly suggests that scores are established for each criteria statement, and the examiner finds that summing scores to obtain a final score would have been obvious within the meaning of 35 U.S.C. § 103 [answer, pages 4-5]. Appellant argues that the summing of a plurality of scores to generate the first and second total scores which are plotted is not taught or suggested by the applied prior art [brief, page 5, incorporating argument from amendment after final rejection]. Appellant has also offered to further amend the claims, but that issue is not properly before us.

We agree with the examiner. Blake clearly teaches the step of establishing variables related to the value of the asset of interest (concern for production and concern for people). The chart shown on page 10 of Blake represents a transformed physical medium with points physically plotted thereon [(1,1), (9,1), (5,5), (1,9) and (9,9)]. Blake does not explicitly teach the steps of establishing performance criteria statements, [*10] scoring the criteria statements, and summing scores to obtain a total score.

We agree with the examiner that these three steps would have been suggested to the artisan by the chart shown in Blake. The chart in Blake has increasing numbers running along the two axes which suggests that the points to be plotted have quantity. The chart shows several specific points plotted which suggests that the various points on the chart are quantifiable. In order to quantify these points in Blake, the artisan would have recognized that (all) the factors which contribute to the value of the two variables must be identified and quantified, and the presence of these factors in the (intangible) asset under evaluation would have to be detected and summed based on the relative quantifications assigned to each factor. Thus, even though Blake does not specifically disclose that the establishing, scoring and summing steps of claim 1 are to be carried out, the artisan would have recognized the obviousness of performing these steps in order to determine where points should be plotted on the chart in Blake. Therefore, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. § 103. [*11]

In conclusion, we have sustained the examiner's rejections of the appealed claims under 35 U.S.C. §§ 101 and 103, but we have not sustained the examiner's rejection under 35 U.S.C. § 112. Therefore, the decision of the examiner rejecting claims 1-18 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED

CONCURBY: DIXON

CONCUR:

Dixon, Administrative Patent Judge, Concurrence.

I concur with the decision of the majority, but would add the following with respect to the discussion of the rejection under 35 U.S.C. § 101.

The claims fail to recite subject matter within any of the four statutory classes defined by § 101, which authorizes the grant of a patent to "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" 35 U.S.C. § 101 (1994). Pursuant to its authorization under art. I, § 8, cl. 8, of the United States Constitution to promote the progress of science and useful arts, [*12] Congress has specified the types of subject matter that may be patented in § 101. Patentable subject matter must fall within one of these statutory categories.

Further, I would add that the instant claim 1 has similarity to the format of the invention as recited in claim 1 of *In re Warmerdam*, 33 F.3d 1354, 1357, 31 USPQ2d 1754, 1756 (Fed. Cir. 1994).

1. A method for generating a data structure which represents the shape of [sic] physical object in a position and/or motion control machine as a hierarchy of bubbles, comprising the steps of:

first locating the medial axis of the object and

then creating a hierarchy of bubbles on the medial axis.

But, I note that in *Warmerdam* both a method and apparatus were disclosed in the specification and the present claim 1 was originally filed as "creating" the chart and plotting of a point thereon.

In the Court's decision in *In re Warmerdam*, 33 F.3d at 1358, 31 USPQ2d at 1757 Judge Plager wrote:

despite the oft-quoted statement in the legislative history of the 1952 Patent Act that Congress intended that statutory subject matter "include anything [*13] under the sun that is made by man," S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2399; H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952), Congress did not so mandate. Congress included in patentable subject matter only those things that qualify as "any . . . process, machine, manufacture, or composition of matter, or any . . . improvement thereof. . . ." 35 U.S.C. Section 101 (1988). Cf. *In re Alappat*, No. 92-1381, slip op. at 29 [31 USPQ2d 1545] (Fed. Cir. July 29, 1994) (en banc) ("The use of the expansive term "any" in Section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101 and the other parts of Title 35.") (Emphasis added.)

Here, the Court reinforces that it is the role of Congress to set forth the boundaries of statutory subject matter and not the courts. If Congress intended for "anything under the sun that is made by man" to be patentable/statutory subject matter, then Congress would have included copyrightable materials (e.g., musical/literary [*14] works, maps and charts), into the realm of patentable subject matter. It is clear that Congress did not intend to include everything, so we must assume that there is still some limitation(s) to the spectrum of statutory subject matter under 35 U.S.C. § 101.

But in a subsequent case, *AT & T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449-50 (Fed. Cir. 1999), Judge Plager wrote that

The Supreme Court has construed § 101 broadly, noting that Congress intended statutory subject matter to "include anything under the sun that is made by man." See *Diamond v. Chakrabarty*, 447 U.S. 303, 309 [206 USPQ 193] (1980) (quoting S. Rep. No. 82-1979, at 5 (1952); H.R. Rep. No. 82-1923, at 6 (1952)); see also *Diamond v. Diehr*, 450 U.S. 175, 182 [209 USPQ 1] (1981). Despite this seemingly limitless expanse, the Court has specifically identified three categories of unpatentable subject matter: "laws of nature, natural phenomena, and abstract ideas." See *Diehr*, 450 U.S. at 185. [*15] (Emphasis added.)

In *AT & T*, we see a slight variation from the position in *Warmerdam*, but still a recognition that not everything is statutory subject matter. With this recognition that abstract ideas which have not been applied in some manner (to something tangible; within the technological arts; with a computer; in a memory device or medium) to realize a "useful, concrete, and tangible result" (citing *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368,

1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998)), the Court in *AT & T* found that the claimed process, which the district court "recognized that the claims require the use of switches and computers" (*AT & T* 50 USPQ2d at 1449), was directed to statutory subject matter. The Court went on to find that it does not matter whether the claimed invention is directed to a process or machine and that the scope of 35 U.S.C. § 101 is the same for either claimed invention (since both were disclosed). (*AT & T* 50 USPQ2d at 1451.)

Here, I [*16] find that the prior factual situations may be distinguished with the present disclosed and claimed invention. In the present application, the specification is silent as to the need for any apparatus to carry out the claimed process or to make the ultimate decision regarding the value of the intangible asset. I note that the only remnant of structure to evidence the application of the abstract idea may be gleaned impliedly from originally filed claim 1 which stated "generating first and second total scores . . ." which was amended to recite "summing scores to generate first and second total scores . . ." Appellant argued in the amendment (paper no. 8) filed March 27, 1997 at page 3 that there is "post-solution activity" and "pre-solution activity," but appellant does not overtly state or argue that the disclosed or claimed invention is computer implemented or in any way involved with some application of the abstract idea beyond the creation of a chart on a physical medium and plotting of a point thereon. This I find to be no more than a mere recordation of an idea in the abstract which I would equate to the affixation in a tangible medium of that idea which has been devised separate [*17] and distinct from any real world application until the chart is created and a point plotted thereon. This to me is outside the province of 35 U.S.C. § 101.

Going back to the analysis by the Court in *In re Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759, the Court further states that

it is true, particularly with ideas expressed in mathematical form, that if a claim requires more than the manipulation of ideas so that the process described in the claim produces something quite different, then the process might indeed describe statutory subject matter . . . It is the claims which define the metes and bounds of the invention entitled to the protection of the patent system. *Zenith Lab. Inc. v. Bristol-Myers Squibb Co.*, 19 F.3d 1418, 1424, 30 USPQ2d 1285, 1290 (Fed. Cir. 1994).

Here, appellant argues that the claimed "transforming physical medium," which is not disclosed, but assumed to be paper, "into a chart" and "physically plotting a point on said chart" is a physical transformation. I note that the specification as originally filed is silent as to any [*18] "media" beyond being a graphical representation which may be as broad as using a stick in the sand or dirt; pen on a whiteboard or pen/pencil on paper. Appellant cites to the discussion in *State Street Bank* at page 1538 (brief at page 7) concerning *In re Alappat*, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994) and *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) wherein there was a physical transformation using the result of the computation. I would distinguish those three cases (*State Street Bank*, *Alappat* and *Arrhythmia*) along with *AT & T* since each of the cases included a disclosed invention which was well grounded in an area of the technological arts (computer, electrical, chemical, biological, mechanical engineering and physics-the physical sciences rather than the social sciences).

Here, I find no such application, involvement, use or advancement of the technological arts in the invention as recited in express language of claim 1 or in the disclosed invention with which to interpret the language of claim 1. While [*19] I realize that a computer may arguably not be required to be disclosed *In re Dossel*, 115 F.3d 942, 946-47, 42 USPQ2d 1881, 1885 (Fed. Cir. 1997) (finding the inferred disclosure of a computer without any express disclosure), appellant has not argued the use of any item or computer with which to practice or apply the claimed process beyond the abstraction of the human mind. Appellant relies solely upon the creation/transformation of the media into a chart and plotting of a point.

While *AT & T* recognizes that a transformation is not a requirement for statutory subject matter and is merely one example of an indica to show the presence of statutory subject matter, the Court stated that "the finding that the claimed process 'transformed' data from one 'form' to another simply confirmed that Arrhythmia's method claims satisfied Section 101 because the mathematical algorithm included within the process was applied to produce a number which had specific meaning--a useful, concrete, tangible result--not a mathematical abstraction." (Citation omitted.) *AT & T* at 1452. Here, the result of the abstract idea does not, in my view, have "specific [*20] meaning" as in *Arrhythmia*, rather is still an abstraction, now recorded as in *In re Schrader*, 22 F.3d 290, 294, 30 USPQ2d 1455, 1458. (See cf. *AT & T* at 1453 (with respect to the lack of helpfulness in determination of a "useful, concrete, tangible result.")) While *AT & T* clarifies that structure need not be present in the claim language for process claims to be directed to statutory subject matter, the Court appears to impliedly weigh that the process is carried out by a network of computers and telephone switches being used in the flow of communications, but here we do not have a similar factual situation.

The Court in AT & T stated that "the Alappat inquiry simply requires an examination of the contested claims to see if the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a 'law of nature' or an 'abstract idea,' or if the mathematical concept has been reduced to some practical application rendering it 'useful.' "AT & T at 1544 (citing *In re Alappat*, 33 F.3d at 1581, 31 USPQ2d at 1557).

In AT & T at 1450, the Court [*21] stated that: "this court recently pointed out that any step-by-step process, be it electronic, chemical, or mechanical, involves an 'algorithm' in the broad sense of the term. See *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, U.S. , 119 S. Ct. 851 (1999)." While I agree with the Court's analysis of an algorithm, the Court assumes that the algorithm is in an "electronic, chemical, or mechanical" based invention which I would find to be more than a mere recodation of the culmination of an abstract idea separate from the "electronic, chemical, or mechanical" technologies as in the present disclosed and claimed invention.

The Court in AT & T went on to state that "as this brief review suggests, this court (and its predecessor) has struggled to make our understanding of the scope of Section 101 responsive to the needs of the modern world." (Emphasis added.) AT & T at 1450. While I agree that the development of the information era has pushed the envelope of statutory subject matter to embrace [*22] the technological advancement and immense flexibility of the computer software-based inventions, as has the evolution of biotechnology, but here, I find that the claimed invention is not a product of the "modern world" with which the Court has struggled since there is not involvement of the traditional sciences there can be no advancement of the "useful arts" as the Constitution empowered Congress. Therefore, I agree with the majority and would sustain the rejection of claims 1-18 as directed to nonstatutory subject matter. I concur with the majority with respect to their decision with respect to the rejections under 35 U.S.C. § 112 and 103.

With the holding of the above type of claim as statutory subject matter, abstract thought and analysis of any interest would still be available, but once an individual seeks to record their analysis, they would infringe the present claim at issue. I believe that this was not the intent of Congress or the intent of our forefathers who set forth the authority for our patent system in the U.S. Constitution.

116RW9

***** Print Completed *****

Time of Request: September 07, 2004 08:01 PM EDT

Print Number: 1841:10499559

Number of Lines: 259

Number of Pages:

Send To: MARGULIES, BRUCE
NEIFELD IP LAW PC
2001 JEFFERSON DAVIS HWY STE 1001
ARLINGTON, VA 22202-3617

Attachment 2
Exhibit 2


Merriam-Webster Online

Merriam-Webster FOR KIDS Encyclopædia BRITANNICA

Merriam-Webster ONLINE Merriam-Webster COLLEGIATE[®] Merriam-Webster UNABRIDGED

Process Management

Simple, Process Management
Solution Snapshot Reporting
Free Download!

Process Management

Full Process Life Cycle BPM 100%
Web-based BPM Solution

Cash Management

Reconciliation solutions match and
resolve financial exceptions.

Enterprise BPM Solutions

Making Continuous Improvement
a Reality with Smart BPM

Ads by

HOME

PREMIUM SERVICES ▼

M-W Collegiate.com
M-W Unabridged.com
Britannica.com
Multi-User Licenses

DOWNLOADS ▼

WORD OF THE DAY ▼

WORD GAMES ▼

WORD FOR THE WISE ▼

ONLINE STORE ▼

HELP ▼

Merriam-Webster Inc.
Company Information

Merriam-Webster Online Dictionary

ThesaurusOne entry found for **transaction**.Main Entry: **trans·ac·tion** ˈ

Pronunciation: tran-'zak-sh&n, tran(t)-'sak-

Function: *noun*

1 **a** : something transacted; *especially* : an exchange or transfer of goods, services, or funds <electronic transactions> **b plural** : the often published record of the meeting of a society or association

2 **a** : an act, process, or instance of trans acting **b** : a communicative action or activity involving two parties or things that reciprocally affect or influence each other
- **trans·ac·tion·al** ˈ /-shn&l, -sh&-n&l/ *adjective*

For **More Information** on "transaction" go to Britannica.comGet the **Top 10 Search Results** for "transaction"

Merriam-Webster

● **Dictionary**○ **Thesaurus**

transaction

Palm & Pocket

Browse and download
Merriam-Webster
e-books and game
Palm and Pocket P
and Mobile Phones
[Merriam-Webster
Online Store](http://Merriam-Webster.com/OnlineStore)

**Handheld
Collegiate**

Now you can take
Eleventh Edition w
anywhere as Frankl
new Speaking Elec
Handheld!
Franklin.com/

**Merriam-Webster
Collegiate**
14-day Free



**GET THE
BIG PICTURE!**

Access America's largest
and most comprehensive
dictionary!

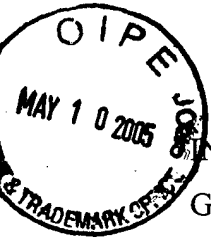
14-Day FREE Trial Subscription

Merriam-WebsterUnabridged.com

Pronunciation Symbols

NEIFELD DOCKET NO: PIP-75-WILL

IN THE UNITED STATES PATENT & TRADEMARK OFFICE



IN RE APPLICATION OF: Eric WILLIAMS

CONF. NO: 6446

GROUP ART UNIT: 3622

SERIAL NO: 09/826,814

FILED: April 6, 2001

EXAMINER: ALVAREZ

FOR: Method and System for Providing Promotions to a Customer Based on the Status of
Previous Promotions

37 CFR 1.144 PETITION FROM REQUIREMENT OF RESTRICTION AND RELATED
PROCEDURAL ERRORS WITHDRAWING DEPENDENT CLAIMS DEPENDING FROM
NON-WITHDRAWN CLAIMS AND FAILING TO LIST THE REQUIREMENT AS FINAL
AFTER THE APPLICANT REQUESTED RECONSIDERATION

ASSISTANT COMMISSIONER FOR PATENTS

ALEXANDRIA, VA 22213-1450

05/11/2005 SZWDIE1 00000052 09826814

02 FC:1464

130.00 OP

I. Statement of the Precise Relief Requested

The applicant requests that the Director (1) instruct the examiner to note that the requirement is final, (2) withdraw the restriction requirement as to those claims that depend upon non-withdrawn claims, (3) withdraw the requirement as to all claims, and (4) instruct the examiner issue a new office action examining all of the pending claims.

II. Material Facts in Support of the Petition

FACT 1. On April 6, 2001, the applicant filed the subject application containing claims 1-118.

FACT 2. On September 10, 2004, the examiner mailed a non-final office action. The cover page of the office action dated September 10, 2004 indicates that claims 1-118 are subject to restriction and/or election requirement.

FACT 3. Page 2 lines 5-19 of the office action mailed September 10, 2004 states that:

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:
 1. Claims 1-25, 43, 44-68, 86-103 and 118, drawn to selecting a related promotion based on the status of the initial promotion, classified in class 705, subclass 14.
 2. Claims 26-42, 69-85 and 104-117, drawn to determining an effective medium based on the status of each promotion delivered, classified in class 705, subclass 14.
2. The inventions are distinct, each from the other because of the following reasons: Inventions I and II are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct from each other if they are shown to be separately usable. In the instant case, invention II has separate utility such as determining an effective medium. See MPEP §

806.05(d).

3. These inventions are distinct for the reasons given above and have acquired a separate status in the art because of their recognized divergent subject matter, restriction for examination purposes as indicated is proper. [Office action mailed September 10, 2004 page 2 lines 5-19.]

FACT 4. On October 7, 2004, the applicant filed a 37 CFR 1.143 Response to Election of Species Requirement traversing the requirement, with a provisional election of Group I. On October 7, 2004, the applicant also filed a 37 CFR 1.111 amendment which added claims 119-129.

FACT 5. On October 7, 2004, the applicant filed a response traversing the requirement, with a provisional election of Group I.

FACT 6. In the response filed on October 7, 2004, the applicant stated (this a long fact, it copies in verbatim the substantive arguments against the original restriction requirements) that:

III. Response With Provisional Election And Traverse

In response, the applicant **provisionally** elects group I, claims 1-25, 43, 44-68, 86-103 and 118 **with traverse**. The applicants traverse the requirement because the requirement does not comply with authority binding upon the examiner for the many reasons noted below.

A. No Showing of 35 USC 121's "Independent And Distinct" Requirement

35 USC 121 states:

35 USC 121 Divisional applications.

If two or more independent and distinct inventions are claimed in one application, the Director may require the

application to be restricted to one of the inventions. If the other invention is made the subject of a divisional application which complies with the requirements of section 120 of this title it shall be entitled to the benefit of the filing date of the original application. A patent issuing on an application with respect to which a requirement for restriction under this section has been made, or on an application filed as a result of such a requirement, shall not be used as a reference either in the Patent and Trademark Office or in the courts against a divisional application or against the original application or any patent issued on either of them, if the divisional application is filed before the issuance of the patent on the other application. If a divisional application is directed solely to subject matter described and claimed in the original application as filed, the Director may dispense with signing and execution by the inventor. The validity of a patent shall not be questioned for failure of the Director to require the application to be restricted to one invention.

The applicants submit that the examiner has not shown that Groups I and II are independent and distinct, as required by 35 USC 121. In fact, the examiner admits they are not independent by characterizing them as sub-combinations.

B. Comparison Of MPEP Requirements To The Examiner's Basis For Restriction

The MPEP is binding upon the examiner insofar as it is the procedural requirements imposed on the examiner by the Director. Cf. In re Portola, 110 F.3d 786, 788, 42 USPQ2d 1295 (Fed. Cir. 1997). Therefore, a restriction requirement that fails to comply with the MPEP is improper and should be withdrawn. This requirement fails to comply, as shown below, and therefore should be withdrawn.

**1. The Two Requirements For Specifying Reasons For
Insisting Upon Restriction, In MPEP 808, And A
Summary Of Why The Requirements Are Not Satisfied**

MPEP 808 states:

808 Reasons for Insisting Upon Restriction

Every requirement to restrict has two aspects: (A) the reasons (as distinguished from the mere statement of conclusion) why the inventions as claimed are either independent or distinct; and (B) the reasons for insisting upon restriction therebetween as set forth in the following sections.

As to requirement “(A),” the examiner has not explained why Group II’s use of “determining an effective medium” is a separate use. Moreover, the examiner has not provided any reason why the group II invention, as claimed, is distinct from the Group I invention. In fact, the applicant adds dependent claim 119 depending from claim 1 (which is in Group I) defining “determining an effective medium.” Since claim 119 is obviously part of what the examiner defines as Group I (via dependency from claim 1), and since claim 119 defines the use in Group I, claim 119 and support therefore show that “determining an effective medium” is not a separate use, as alleged by the examiner. Therefore, the factual assertion upon which the examiner relies for the conclusion that Groups I and II are distinct is incorrect. Therefore, there is no basis for the restriction.

As to requirement “(B),” the examiner’s conclusion that a restriction is required is contrary to her admitting that both groups are classified in class 705, subclass 14 (whose subject matter relates to incentive programs). Requirement “(B)” requires a reason why examination of both groups would be a significant burden. In this case, the examiner admits that both group I and group II are classified in the same class and subclass: 705/14, and there is in fact no

significant burden in searching.

Requirements (A) and (B) will each be discussed in more detail below.

2. Requirement For Stating The Reasons (As Distinguished From The Mere Statement) Of Conclusion) Why The Inventions As Claimed Are Either Independent Or Distinct, As Specified In MPEP 816, And Why The Requirement Is Not Satisfied

MPEP 816 states:

816 Give Reasons for Holding of Independence or Distinctness

The particular reasons relied on by the examiner for holding that the inventions as claimed are either independent or distinct should be concisely stated. A mere statement of conclusion is inadequate. The reasons upon which the conclusion is based should be given.

For example, relative to combination and a sub-combination thereof, the examiner should point out the reasons why he or she considers the subcombination to have utility by itself or in other combinations, and why he or she considers that the combination as claimed does not rely on the subcombination as its essential distinguishing part.

Each other relationship of claimed invention should be similarly treated and the reasons for the conclusions of distinctness of invention as claimed set forth.

The separate inventions should be identified by a grouping of the claims with a short description of the total extent of the invention claimed in each group, specifying the type or relationship of each group as by stating the group is drawn to a process, or to subcombination, or to product, etc., and should

indicate the classification or separate status of each group, as for example, by class and subclass. See MPEP § 809.

The applicants submit that the examiner has not complied with MPEP 816. Specifically, MPEP 816 specifies that “relative to combination and a sub-combination thereof, the examiner should point out the reasons why he or she considers the subcombination to have utility by itself or in other combinations, and why he or she considers that the combination as claimed does not rely on the subcombination as its essential distinguishing part.” The examiner has not provided the required reasons. Specifically, the examiner has not explained why she considers that the combination as claimed does not rely on the subcombination as its essential distinguishing part, as required in MPEP 816. Therefore, the requirement is improper and should be withdrawn.

3. The Requirements Specified In MPEP 817 - Outline Of Letter For Restriction Requirement Between Distinct Inventions And Why The Requirements Are Not Satisfied

MPEP 817 states:

817 Outline of Letter for Restriction Requirement Between Distinct Inventions

The statement in MPEP § 809.02 through § 809.02(d) is adequate indication of the form of letter when election of species is required.

No outline of a letter is given for other types of independent inventions since they rarely occur.

The following outline of a letter for a requirement to restrict is intended to cover every type of original restriction requirement between related inventions including those having linking claims.

OUTLINE OF LETTER

(A) Statement of the requirement to restrict and that it is being made under 35 U.S.C. 121

(1) Identify each group by Roman numeral.

(2) List claims in each group. Check accuracy of numbering of the claims; look for same claims in two groups; and look for omitted claims.

(3) Give short description of total extent of the subject matter claimed in each group, pointing out critical claims of different scope and identifying whether the claims are directed to a combination, sub-combination, process, apparatus, or product.

(4) Classify each group.

The examiner has not given a "short description of total extent of the subject matter claimed in each group, pointing out critical claims of different scope and identifying whether the claims are directed to a combination, sub-combination, process, apparatus, or product. " Specifically, the examiner has not characterized the total extent of Groups I and II. Both groups define inventions that deliver incentives to customers as an essential element. Thus, the examiner has not pointed out critical claims of different scope upon which she bases her conclusions. Therefore, the restriction requirement is improper and should be withdrawn.

4. The Definition In MPEP 802.01 Of "Distinct," Why The Examiner Failed To Show That Groups I And II Are Distinct, And Why "Determining An Effective Medium" Is Not A Separate Use

MPEP 802.01 states the following definition for "distinct":

The term "distinct" means that two or more subjects as

disclosed are related, for example, as combination and part (subcombination) thereof, process and apparatus for its practice, process and product made, etc., but are capable of separate manufacture, use, or sale as claimed, AND ARE PATENTABLE (novel and unobvious) OVER EACH OTHER (though they may each be unpatentable because of the prior art).

The examiner has alleged but did not explain why she thought that group I was capable of separate use from group II. The examiner merely asserted that group II had a separate use of “determining an effective medium,” without providing any supporting reasoning. Thus, she did not provide sufficient reasoning to support the requirement.

In fact, the specification discloses that the inventions defined by Groups I and II can both be used to “determine an effective medium.” See specification figure 8 and page 26 lines 14-25.

Moreover, the applicant adds dependent claim 119, depending from claim 1, and defining “determining an effective medium.” Since claim 119 is obviously part of what the examiner claims Group I (via depending from claim 1), it defines what the examiner alleges is the separate use of Group II, in Group I. Therefore, it is clear that Groups I and II are both usable for “determining an effective medium.” Thus, the examiner’s reasoning why Groups I and II are distinct is incorrect. Thus, the restriction is improper and should be withdrawn.

5. The Requirement That There Be A Serious Burden Specified As Set Forth In MPEP 803, And Why There Is No Serious Burden

MPEP 803 states that:

If the search and examination of an entire application can be made without serious burden, the examiner must examine it on

the merits, even though it includes claims to independent or distinct inventions.

The applicant submits that the search and examination of the entire application can be made without serious burden.

First, the examiner has admitted that both Group I and Group II are classified in the same class/subclass. Specifically, the examiner has classified both Group I and Group II in class 705 subclass 14. Class 705 subclass 14 contains only 661 patents. That is a minuscule number of patents compared to the number of patents that examiners routinely review during examination of an application. Thus, the search and examination of the entire application can be made without serious burden. Therefore, the examiner must examine all claims, even if they include claims to independent or distinct inventions.

Furthermore, dependent claims 119-122 have been added to Group I, and they incorporate the limitations of claims 26, 40-42, 69, 83-85, 104, 108, 109, and 115-117 (Group II). Dependent claims 123-129 have been added to Group II and they incorporate the limitations of claims 1, 15, 21-25, 43, 44, 58, 64-68, 86, 88, 97, 100-103, and 118 (Group I). Thus, Group I and Group II contain the same limitations. Therefore, the examiner is going to need to conduct the same search, whether she is examining Group I or Group II. Accordingly, there is no serious burden on the examiner to examine the entire case on its merits.

**6. The Burden Placed Upon The Applicant, And
Ultimately Also Upon The USPTO By The Requirement**

The applicants request that the examiner keep in mind the serious (and often unnecessary) financial burden placed upon *the applicants* in having to split prosecution between division applications in response to restriction requirements and ultimately, the additional burden imposed on the USPTO. Accordingly, the applicants request that the examiner drop the restriction requirement and impose no other requirement for this additional reason.

Should Examiner Alvarez have any questions, the examiner is urged to contact the undersigned at (703) 415-0012.

III. Reasons Why the Relief Requested Should be Granted

A. Noting Finality

The examiner should be instructed to note that the restriction was final because that is required by the MPEP when the examiner maintains a restriction after traverse, and the applicant traversed.

B. Withdrawn Claims Depending from Non-Withdrawn Claims

The examiner should be instructed to reinstate the claims depending from non-withdrawn claims because the withdrawal of dependent claims depending from non-withdrawn claims as non-elected in response to a restriction requirement (not an election of species requirement) is improper. Claims 119-121 should therefore be reinstated, as well as any other claims depending from non-withdrawn claims when this petition is decided.

C. Impropriety of the Original Requirement

There are many reasons why the restriction requirement was improper. Each one is stated below.

1-5. Reasons 1-5

For the five reasons stated in the original request to have the restriction withdraw, which are reproduced in FACT 6 above (which is incorporated herein by reference), the restriction is improper and should be withdrawn.

6. The Burden Placed Upon The Applicant, And Ultimately Also Upon The USPTO By The Requirement

The applicants request that the director keep in mind the serious (and often unnecessary) financial burden placed upon *the applicants* in having to split prosecution between division applications in response to restriction requirements and ultimately, the additional burden imposed on the USPTO. Accordingly, the applicant requests that the examiner withdraw the restriction requirement and impose no other requirement for this additional reason.

IV. **Conclusion**

Assuming the Director agrees that the restriction requirement is improper, the Director should (1) withdraw the restriction requirement and (2) withdraw the outstanding office action and (3) issue a new office action examining all of the claims.

5/9/2005

Date

Respectfully



Richard Neifeld

Attorney of Record

Registration No. 35,299

Neifeld IP Law, PC

Date/time: May 6, 2005 (1:38pm)

Y:\Clients\Catalina\PIP-75-WILL\PIP-75-WILL-US\Drafts\PetitionAgainstRestriction_050321.

wpd